

June 7, 2006

Dear State Employees,

With July 1 fast approaching, I want you to know how money for executive branch employees is being distributed in the coming biennium and what to expect in your paychecks. After visiting with many of you in Cheyenne and in field offices across the state, it's clear to me that both Wyoming families and Wyoming government will benefit when state employees earn a fair day's pay for a fair day's work, and when wages are competitive with surrounding markets. This cannot be accomplished with inconsistent funding, but instead, requires that Wyoming make a lasting commitment to its employees.

The Employee Compensation Commission and I requested \$17 million for wage adjustments, of which \$8.4 million was granted. Since we succeeded in advancing all employees into the competitive market range in 2005, our goal was to do it again in 2006 AND move everyone closer to the average. However, we were not afforded the opportunity to do both, and so we must use the new money to first ensure that all employees are able to stay within the competitive market range for 2006. Then, remaining money will be distributed at a flat rate to employees earning less than the average. You may compare your current earnings to the 2006 competitive market range at

<http://personnel.state.wy.us/secc/Monthly%20Compensation%20Table%202006.pdf>

In short, if you now earn less than the competitive market range shown in green and have at least two years of service, you will receive an equity adjustment. If you fall within the green range but make less than the average, you'll receive a flat monthly increase.

Though we had all hoped to see the competitive market average become a reality for state employees, my commitment to you to create a compensation system that is fair and equitable isn't just about short-term wins but long-term change. We didn't win the wage debate, yet state employees received over \$50 million toward total compensation this session; more than ever before toward lasting improvements. These include:

- 1) 3.5% wage increases are now built into every agency budget for both years of the biennium. In other words, this adjustment has become part of the standard budget, and is expected to continue regardless of who is governor in the future. (\$34.6M / biennium)
- 2) After the 3.5% increases, equity adjustments will be provided to approximately 3,746 employees who are still earning below the 2006 competitive market average. (\$8.4M discussed above)
- 3) A "hot spot" pool will soon address unique market fluctuations so that we can more quickly respond to hard-to-fill positions. (\$4M / biennium)
- 4) "X-Class" adjustments were funded separately for the first time to address compression and wage increases for at-will employees. (\$4M)
- 5) 85/15 family healthcare coverage will continue. We are urgently exploring voluntary benefit options for you and your family to help keep our healthcare costs from rising.

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In the coming year, more competitive pay remains our mutual goal, and the Employee Compensation Commission and I will continue to place your recommendations before the legislature. State employees deserve a competitive wage and I'm committed to a system that works long after I'm gone.

Best regards,

Dave Freudenthal  
Governor

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